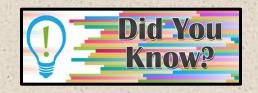
## Dealer Dashboard

March 5<sup>th</sup>, 2025



- I. The Motor Vehicle Division (MVD) created an Application for Duplicate Credentials (<u>SFN 61982</u>) that is a more streamlined version of the Application and Certificate of Title & Registration of a Vehicle. The Application for Duplicate Credentials can be used in lieu of the full Application and Certificate of Title & Registration of a Vehicle only when a customer is requesting a **duplicate** plate, registration card, and/or title.
- II. When someone needs a reprint/replacement of an existing vanity plate because it was lost or damaged and the plate is being moved from the trade or previously owned vehicle to a replacement vehicle, the plate order will need to be completed in a separate transaction from the title and registration transaction of the replacement vehicle. For example: Joe Fisher's special request plate containing WALLEYE fell off the truck on his way to Devils Lake. Joe decided to trade in his truck at the dealership before ordering a replacement plate. Motor Vehicle Division (MVD) will transfer the existing vanity plate to his new vehicle, however, will need to order the replacement plate in an entirely different transaction. As such, a secondary application (either SFN 61982 or SFN 2872) and branch fee are applicable for this very specific scenario.
- III. The next live Motor Vehicle Division (MVD) standard dealer training class is tentatively scheduled for Wednesday April 9<sup>th</sup>, 2025 (Note that this is earlier from the previously advertised date). An invitation will be sent to dealers two to three weeks before the class. A video of the training is available in the <u>Dealer Resources</u> section on the <u>Department of Transportation</u> website. A leased vehicle specific class may be offered again soon.
- IV. The 69<sup>th</sup> Legislative Assembly concludes May 2<sup>nd</sup>, 2025. Locate and contact your Assembly Member <u>here</u>. The following is a list of active bills that have relevance to titling, registration, and mobility impaired individuals and therefore offer potential impact to dealers. Note that a bill needs to pass both chambers and be signed by the Governor before becoming law. Further, the law will not take effect until the commencement date. Fiscal impact legislation typically takes effect on July 1<sup>st</sup> while other legislation typically takes effect on August 1<sup>st</sup>. Dealers will be advised of legislative impact after the close of session.
  - HB1118 Relating to display of temporary permits
  - HB1155 Relating to equipment exemption for certain street rod, collector, or special interest motor vehicles.
  - HB1180 Relating to eligibility for certain veteran earned benefits
  - HB1327 Special plates for amateur radio station license holders

- HB1137 Relating to the display of mobility-impaired parking permits
- HB1345 Relating to pickup truck motor vehicle registration (GVWR)
- HB1382 Relating to the electric and plug-in hybrid vehicle road use fee, the tax imposed on motor vehicle and special fuel
- HB1432 Relating to military sacrifice number plates
- HB1480 Relating to a request for a certificate of title for a motor vehicle
- HB1578 Relating to a motor vehicle excise tax exemption for abandoned motor vehicles taken into the custody of a commercial towing service
- SB2133 Relating to blackout number plates
- SB2207 Relating to a motor vehicle excise tax exemption for tribal governments
- SB2247 Relating to obtaining a new vehicle certificate of title, an application for a certificate of title, and the removal of number plates on a vehicle



- I. The MVD only issues temporary registration to applicants when all fees are paid. A temporary registration will not be issued when payment is returned to the dealer or owner.
- II. Temporary registration or plates cannot be issued for salvage titles. These vehicles must first be inspected and issued a previously salvaged title before registration can be issued. The Certificate of Inspection (<u>SFN 2486</u>) was revised in December to reduce common errors observed on completed forms.
- III. Temporary registration must be issued in the buyer's name. Under no circumstances should the dealer's name or agent thereof be used in lieu of the buyer's name. The 75-day Notary Public or Dealer Certificate of License Application can only be issued to when payment for tax, title, and registration will be remitted by dealer to North Dakota MVD. The 30-day Drive Out Permit can only be issued to out-of-state residents and businesses. Under no circumstances should a Drive Out Permit be issued to a North Dakota resident, nor should multiple permits be issued for the same VIN.
- IV. The lienholder should be documented on the title/MCO and on the application (<u>SFN</u> <u>2872</u>) when one is required. This makes it less likely for MVD to miss recording the lien. In addition, when documenting the lien on paperwork, ensure it is written exactly as the lender wants it recorded. Some lenders are particular about how their name and address appears on the title.
- V. Motorcycle registration expires at the end of March. Dealers completing sales of these units before the end of March will want to include current period registration fees plus the fee for the next registration period.
- VI. The transferor of a motor vehicle less than nine model years old (2018 and newer for a vehicle sold in 2025) is required to complete the Damage/Salvage Disclosure Statement (<u>SFN 18609</u>). A dealer-to-dealer transaction is <u>not</u> exempt. The

disclosure is required for applicable vehicles when a dealer is obtaining a resale title. In the event the vehicle was purchased from an out of state resident or business, then the buyer can complete the disclosure and sign as buyer is lieu of the seller signature.

VII. Dealers displaying vehicles and conventions and shows such as the <u>Red River</u> <u>Valley Sportsmen's Show</u> are required to obtain a Show and Sale Permit available <u>online</u> at a cost of \$25 for seven day period. Online applications are strongly preferred. Displaying vehicles off-site without a permit is a violation subject to a \$100 penalty for first offense.



- I. Dealers are encouraged to complete a reassignment in an available reassignment section on a title or MCO before using the Supplemental Reassignment/Odometer Disclosure form. The supplemental form is intended to be utilized when all available reassignments on the title/MCO are full. If the title/MCO is not available at the time of sale and a supplemental disclosure is used, the dealer is still expected to sign the reassignment on title/MCO and list the buyer. This is especially important when the buyer is bringing paperwork directly to MVD. On occasion, the buyer will jump the title by selling it to another party without first titling. If the person fails to also include the supplemental form, it creates an illusion that the dealer sold the vehicle to someone other than the original buyer. Leaving a title or MCO open is a violation.
- **II.** There is technically no law that prevents a dealer from selling a vehicle without a title, however, in the event of a sale, NDCC 39-05-17 requires a title to be delivered to the buyer or MVD within 30 days. Failure to deliver the title is a violation that will be pursued by Dealer Compliance in the event a customer files a complaint.
- **III.** Best practice for signing by power of attorney is to write the grantor's name by the attorney-in-fact's signature. The attorney-in-fact is signing on behalf of the grantor but should never imitate the grantor's signature. In the example below Justin is the grantor (who traded in the vehicle), and Austin is the attorney-in-fact (agent of the dealership).

Signature of Seller/Transferor X Justin Time by Austin Powers
Signature of Seller/Transferor
Hand-Printed Name(s) of Seller(s)/Transferor(s) Justin Time by Austin Powers - POA

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December 20th, 2024



- I. Reminder: Effective for sales occurring on or after January 1<sup>st</sup>, 2025: When a volunteer wants to transfer a Volunteer Emergency Responder (VER) license plate ("the red plate"), the volunteer will need to submit Application for North Dakota Emergency Responder Plate (SFN 61572) with appropriate signatures regardless of whether or not the plate is current. Example: A person trades in a vehicle with a VER plate, current or expired, and wants to put the plate on the newly purchased vehicle. The volunteer will be required to submit completed SFN 61572 form to transfer the plate.
- II. The 2025 Fee and Credit Schedules are available on the bottom of the <u>Motor</u> <u>Vehicle</u> section of the Department of Transportation website.
- **III.** Dealers are expected to have an accounting/inventory of all dealer plates. Dealers may be asked to account for dealer plate inventory during inspections. All embossed dealer plates must be returned to Dealer Services. They are obsolete since 2016.
- IV. The next live Motor Vehicle Division (MVD) standard dealer training class is tentatively scheduled for April 11<sup>th</sup>, 2025. An invitation will be sent to dealers two to three weeks before the class. A <u>video of the training</u> is available in the <u>Dealer</u> <u>Resources</u> section on the <u>Department of Transportation</u> website.
- V. The 69<sup>th</sup> Legislative Assembly convenes Tuesday January 7<sup>th</sup>, 2025, and concludes May 2<sup>nd</sup>, 2025. Locate and contact your Assembly Member <u>here</u>. Dealers will be advised of legislative impact after the close of session. Fiscal impact legislation typically takes effect on July 1<sup>st</sup> while other legislation typically takes effect on August 1<sup>st</sup>.



I. There was an email circulated containing incorrect information pertaining to the Military Claim for Tax Exemption (<u>SFN 17147</u>) that did not originate from MVD. Clarification: To qualify for #1 or #2 on the form, the applicant must have obtained the vehicle at <u>no cost</u>. To qualify for #3, the applicant must be a North Dakota resident <u>currently</u> stationed out of state (e.g., stationed at Edwards Air Force Base in California). The exemption is not applicable to North Dakota residents who purchase a vehicle while stationed in North Dakota.

- II. All corrections for title/MCO mix-ups must be sent to the Bismarck office for processing. These are cases where a title and registration have been issued for the wrong VIN due to the seller providing the wrong title or MCO. A dealer should immediately contact Dealer Services when a title/MCO mix-up is suspected. In some instances, we can flag the VIN or account before the paperwork is processed and prevent several headaches from occurring.
- **III.** Delivery to tribal reservations for an individual tax exemption is not allowed since legislation took effect on 7/1/2023. Tribal enrolled individuals must live within the borders on a reservation or provide proof they live on tribal trust land to claim the tax exemption. A tribal member living in Bismarck, Fargo, Grand Forks, or other locality not on a reservation or tribal trust land cannot qualify for the tax exemption. Vehicles still must be delivered to the reservation when purchased by tribal government entities to qualify for the tax exemption.
- **IV.** Temporary registration must be issued in the buyer's name. Under no circumstances should the dealer's name or agent thereof be used in lieu of the buyer's name.



- I. Dealers are prohibited from displaying vehicles for sale with plates. Make sure customers remove plates from an on-highway trade vehicle. MVD will assume the owner will transfer plates to the replacement vehicle unless documentation and the \$5 fee for new plates is received. Note that customers are not to put trade plates on the new vehicle until they receive the registration card showing the plate belongs to the replacement vehicle. Putting plates on too quickly may lead to questions from law enforcement should that person get pulled over. ("Sir, the plate on this Ford is currently registered to a Toyota...")
- **II.** This is the snowbird time of year. The MVD can send registration to a temporary address provided a special handling note is included with the paperwork. Sticky notes or yellow highlighter makes those messages pop and a processor will be less likely to miss it.

Thank you!

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October 24th, 2024



- I. All dealers need to have an email address on file with Dealer Services to receive correspondence including renewal notices, legislative updates, and this newsletter.
- II. Dealer Services enthusiastically added a new compliance staff member earlier this year. Marc is a Navy Veteran with a decade of law enforcement experience. He is a big Kansas City Royals baseball fan, but we are certain he won't go George Brett when a dealer (or bat) is not in compliance.



- III. Effective for sales occurring on or after January 1<sup>st</sup>, 2025: When a volunteer wants to transfer a Volunteer Emergency Responder (VER) license plate ("the red plate"), the volunteer will need to submit Application for North Dakota Emergency Responder Plate (SFN 61572) with appropriate signatures regardless of if the plate is current or not. Example: A person trades in a vehicle with a VER plate, current or expired, and wants to put the plate on the newly purchased vehicle. The volunteer will be required to submit completed SFN 61572 to transfer the plate.
- IV. Reminder 1: Registration for Trailers (that do not have permanent registration) and travel trailers expire on 12/31 of this year. It is strongly encouraged for all units purchased before the end of the calendar year to include registration fees for the current year and the following year. Trailers have prorated registration however travel trailers do not. The annual fee for a travel trailer is \$20 regardless of purchase date.
- V. Reminder 2: All off-highway vehicle registrations expire on 12/31 of this year. Purchasers of these units before the end of the year are strongly encouraged to

include registration fees for the current 2023-2024 biennium and the 2025-2026 biennium (a total of \$40).

- VI. The 2025 Fee and Credit Schedules are now available on the bottom of the <u>Motor</u> <u>Vehicle</u> section of the Department of Transportation website.
- **VII.** The next Motor Vehicle Division (MVD) standard dealer training class is tentatively scheduled for November 21<sup>st</sup> of this year. An invitation will be sent to dealers two to three weeks before the class. We are in the process of publishing a recording of the training to the Department of Transportation website for on-demand viewing.



- I. The Reassignment/Odometer Disclosure form is <u>not required for odometer exempt</u> <u>vehicles</u> (off-highway, snowmobiles, trailers, travel trailers, low speed vehicles, and vehicles with a GVWR of 16000 pounds or more). Part 2, Dealer Re-Assignment and Warranty of Title (<u>SFN 2878</u>) is recommended in lieu of the secure form <u>for exempt vehicles</u> when all title assignments are full.
- **II.** The <u>Dealer Handbook</u> is a free training resource available online in PDF format. The handbook provides a summary of legislation pertinent to dealers, title and registration basics, and an appendix of relevant Century Code.
- **III.** The <u>Registration Manual</u> available online in PDF format is a comprehensive "must have" resource used extensively internally at MVD and also externally that covers most any scenario or form while containing citation of relevant Century Code to any specific topic. We recommend dealers download or bookmark the manual for future reference. Note that the manual is updated from time to time, particularly following legislative sessions when new laws impact the sale, tax, title, and registration of vehicles.
- IV. Any item deducted (nontaxable) on the Lease Tax Worksheet (<u>SFN 60399</u>) must be itemized in the lease agreement/contract to be recognized as a proper deduction. Worksheets containing items not itemized in the lease agreement will be returned for additional tax.
- V. Dealers selling cab & chassis type MCO vehicles with <u>known</u> upgrades (custom body or bed) should also include the body MCO, if applicable, or obtain and document the completed weight of the vehicle. This allows MVD to title and register these vehicles with proper weight and body style.



- The issuance of a new personalized plate requires Personalized/Special Plate Request (<u>SFN 53612</u>). One of the most common oversites when completing the form is failing to include the *Meaning of Plate*. Requests failing to include this information will be rejected.
- **II.** Paperwork that is mailed or dropped off by dealers should have the check or payment stapled on top. Also, the staples should not go through sensitive areas of the title as they can render the VIN, title number, issue date, or other pertinent information difficult to read.

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August 30th, 2024



- I. Pioneer Promo, the supplier for North Dakota Secure Power of Attorney (POA) forms is now issuing a single page Secure POA form just like how Motor Vehicle Division (MVD) began issuing a single page Reassignment/Odometer Disclosure form. The new form looks very similar to the previous version and is accepted by MVD, but it will be up to the dealer to make copies for their own record retention purposes. Photocopies cannot be utilized for purposes of odometer disclosure on the title. The original secure form must be submitted to MVD when signing the title by POA for odometer disclosure purposes.
- **II.** The Beulah Motor Vehicle Contract Service Office (aka branch office) has <u>reopened</u> with an experienced processor. The Beulah Motor Vehicle branch is open Monday through Friday, 9 a.m. to 11 a.m. and 12 p.m. to 5 p.m. Dealers considering routing paperwork through the Beulah branch should contact the branch directly for arrangements. Service fees apply at all the contract offices. As with all locations, appointments are encouraged.
- **III.** The next Motor Vehicle Division (MVD) standard dealer training class is tentatively penciled in for November 21<sup>st</sup> of this year. We also hope to publish a recording of the training for on-demand viewing. We may also add a lease class.



- I. Part 3 of a North Dakota certificate of title is, by definition, an application for North Dakota title. Submitting a supplemental application (<u>SFN 2872</u>) is optional if Part 3 of the North Dakota certificate of title is completed and signed by the applicant (one or the other required). A supplemental application is always required when submitting something other than a North Dakota certificate of title (MCO, out of state title, foreign registration, etc.).
- **II.** The MVD doesn't title boat trailers. Boat trailers are not required to be registered within the borders of North Dakota. Owners can apply for a private trailer plate in the event the boat trailer is being pulled in a state that requires registration for this trailer type. The cost is \$5 per year (plus any applicable branch fees).

- III. The intent of the Reassignment/Odometer Disclosure form is to be able to complete a reassignment and federally required odometer disclosure when all title or MCO assignments are full. It was not intended to be a substitute for completing an available resignment on the title or MCO. The reassignment and disclosure should occur on the title or MCO provided the document is available at the time of the sale. The supplemental form can be used if the document is not immediately available, however, the reassignment portion should still be completed on the document when it becomes available. If the reassignment to the buyer is only completed on the supplemental form and not on the title or MCO, then the door is left open to fraud including, but not limited to, jumped titles. Note: An odometer disclosure is only valid when signed by the seller and buyer on the same secure document.
- IV. A Total Loss Statement (<u>SFN 53386</u>) can be used by the applicant to offset taxes due on a replacement vehicle. The form must be completed by an agent from the insurance company and notarized per state law. Since the form requires a notary, only an original form is acceptable. Photocopied, faxed, and emailed forms are not accepted. It is not always possible for the claimant to provide the form within the 30day window for dealers to deliver the title. As such, it is acceptable to presume full taxes are due and submit paperwork to MVD accordingly. The owner who received compensation for the loss can submit Application and Claim for Motor Vehicle Tax Refund (<u>SFN 2883</u>) with the original loss statement to MVD at a later date, provided the loss credit is claimed within three years from the date of loss payment.



- I. Dealers using MVD envelops to mail plates to their customers directly are strongly encouraged to cover MVD return address information with the dealer's address, otherwise undeliverable plates will be returned to MVD, and the dealer will be unaware that the customer did not receive them. This results in additional phone calls and emails. Also, be advised a North Dakota license or ID credential contains a physical address. With few exceptions, MVD works almost exclusively with mailing addresses. Be sure to capture any applicable apartment or suite number as these are commonly missed which leads to a significant volume of undeliverable items.
- **II.** Titles and MCOs nearly always have a spot to document the buyer's name, address, the purchase date, and purchase price. Entering all information helps prevent fraud.

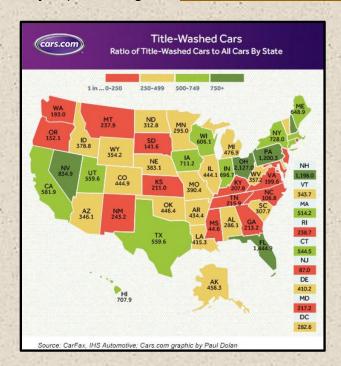
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## **Dealer Dashboard**

June 24th, 2024



**IMPORTANT**: The Motor Vehicle Division (MVD) titling system is pulling junk, Ι. salvage, and insurance (JSI) dispositions from the National Motor Vehicle Title Information System (NMVTIS). Insurance companies must report monthly to NMVTIS on the junk and salvage automobiles they obtain. This data is used by MVD for title branding purposes, even when no brand is printed on the certificate of title. Minnesota, for example, exempts motorcycles and commercial vehicles with a gross vehicle weight 16,000 pounds or over from salvage branding. The certificate of title is "clean" however a history check may reveal a total loss. Additionally, vehicles may be transferred from a state with more stringent branding laws to a state with comparatively lax regulation (title washing). Data from CarFax and further compiled by HIS Automotive suggests Mississippi (1:45), New Jersey (1:87), North Carolina (1:107), and South Dakota (1:141) have historically been the most prolific title washing states. Use of the JSI dispositions maintains the integrity of vehicle salvage history regardless of specific state certificate of title branding requirements. A disposition of JUNK means no title can be issued in North Dakota. A disposition of SALVAGE or SOLD means a loss settlement was paid and that the vehicle will require a safety inspection by an auto repair business registered with the Secretary of State. The subsequent North Dakota title will then receive a PREVIOUSLY SALVAGED brand. We strongly recommend any party obtaining a motor vehicle obtain a vehicle history report through an approved NMVTIS data provider.



II. There was an error made on a recent order of the North Dakota Secure Power of Attorney form. The highlighted information should read Transferee's (i.e., the dealer) not Transferor's. The Automobile Dealers Association of North Dakota is working to correct this error but, in the meantime, these forms can be accepted. Transferor's should be struck out and replaced with Transferee's.

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**III.** The next Motor Vehicle Division (MVD) standard dealer training class is currently penciled in for August 22nd. We also expect to offer a redesigned leased vehicle class in September.



I. Federal Excise Tax (FET) on the first retail sale of heavy trucks, tractors, and trailers is not considered part of the purchase price for determining North Dakota motor vehicle excise tax. Ideally, an invoice would separate FET from the equipment cost instead of combining them together. The FET is already potentially costing the owner tens-of-thousands of dollars and we don't want to tax on the state side any more than we are required to do so.



I. A dealer invoice/bill of sale should contain the dealer address the vehicle was sold from on the invoice. This is especially important when a dealer has multiple locations to ensure we have the appropriate reassignment(s) and for assigning the sale in the titling system to the correct selling dealer. It's also always helpful when the selling dealer number is included on the application (SFN 2872) or certificate of title.

П. MVD has received inquiries from some dealers as to why the Lease Tax Worksheet (SFN 60399) math is not matching up with the what the dealer is calculating within the lease agreement. This is likely the result of software not configured with the correct complex equations. Current interpretation of tax law provides that the Rent (aka finance charge) within a lease is taxable. The problem created by this interpretation is it makes tax due to the state a function of any capitalized tax within the lease agreement (since financed taxes would increase the rent), despite the tax itself not being taxable. As such, this severely complicates the math for obtaining accurate tax figures. Since all other values within a lease are fixed (agreed upon value, residual value, title and registration, acquisition fee, etc.), it is possible through Monte Carlo algebra (and beyond the scope of this newsletter) to get the lease agreement tax and worksheet tax to match (or be within pennies). You may need to contact your software vendor should your lease agreement figure significantly differ from the state worksheet calculation.

**Note:** The amount of tax collected in the lease agreement is not necessarily the tax due to the state. Software/mathematical errors could lead to a tax value in the lease agreement that is substantially different than what is due to the state. As an extreme example, just because the software prints \$1 tax in the lease agreement does not mean \$1 is due to the state when the worksheet math is suggesting otherwise. Lease paperwork is verified by processors and the tax worksheet cannot have figures altered/manipulated from the figures contained within the lease agreement or the paperwork will likely be returned for correction/clarification.

Thank you!

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April 26<sup>th</sup>, 2024



I. IMPORTANT: Incomplete title transactions will be systematically reversed after 60 days from the date of creation, and any associated fees will be refunded to the customer. Paperwork from the reversed transaction will remain digitally archived.

What does this mean for dealers?

- a) If all paperwork and payment was returned to the dealer, then there is no impact.
- b) If paperwork and money was retained by Motor Vehicle Division (MVD), then the dealer needs to resolve the issue within 60 days to avoid a transaction reversal and any monies refunded to the buyer.
- II. The <u>Show & Sale Permit</u> is now available for purchase online. This permit allows dealers to legally display any vehicle covered by the dealer license at a specific event such as at a sport show or the State Fair. The cost of the permit is \$25 for a 7-day period. Failure to obtain a permit when displaying vehicles offsite will potentially result in a \$100 fee for the first violation.
- III. The next Motor Vehicle Division (MVD) standard dealer training class is currently penciled in for late August. We may offer our Lease and/or Legal class beforehand. We also plan to post a video recording of the training (with no live audience) on the website later this spring. This will allow for the training to be available on-demand.



- I. A vehicle cannot be titled in an individual name <u>and</u> the dealership business name using the dealer resale tax exemption. The dealer resale exemption is only applicable to titles going exclusively in the dealership name. Example: A title assigned to *Joe Smith or Amazing Wheels* is subject to excise tax. The title would need to be assigned exclusively to *Amazing Wheels* to be tax exempt.
- **II.** By law, plate credits can only be applied to new registration and the credit transfer fee. They cannot be used to offset any other fee (e.g., duplicate plates).



- I. We strongly advise dealers submitting applications for title to document any applicable lienholder on the Application (<u>SFN 2872</u>) and the physical title/MCO. This makes it much less likely a processor will miss recording the lien on the new title.
- II. In the relatively uncommon event that a customer is trading in multiple vehicles at the same time, please document the VIN and value of each vehicle being traded in. This ensures your customer is receiving the maximum tax credit allowed for the trades. In addition, the customer can pick any applicable plate from the trades and use it on the replacement vehicle. This plate needs to be documented on the paperwork to avoid potential processing delays.
- **III.** It's been mentioned several times, but bears repeating; please document on the dealer invoice if an item is a taxable product/accessory or a bona fide warranty. This helps MVD process your paperwork more efficiently and assess tax accurately.
- IV. The Lease Tax Worksheet (<u>SFN 60399</u>) was designed to assist dealers and paperwork processors to quickly determine correct excise tax remitted to MVD. It is intended to be populated based <u>only</u> on the exact figures contained within the lease agreement. Populating the worksheet by any other method significantly slows down processing time.

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